



SINGLE STOCK FUND Financial Management MS1 Business Rules

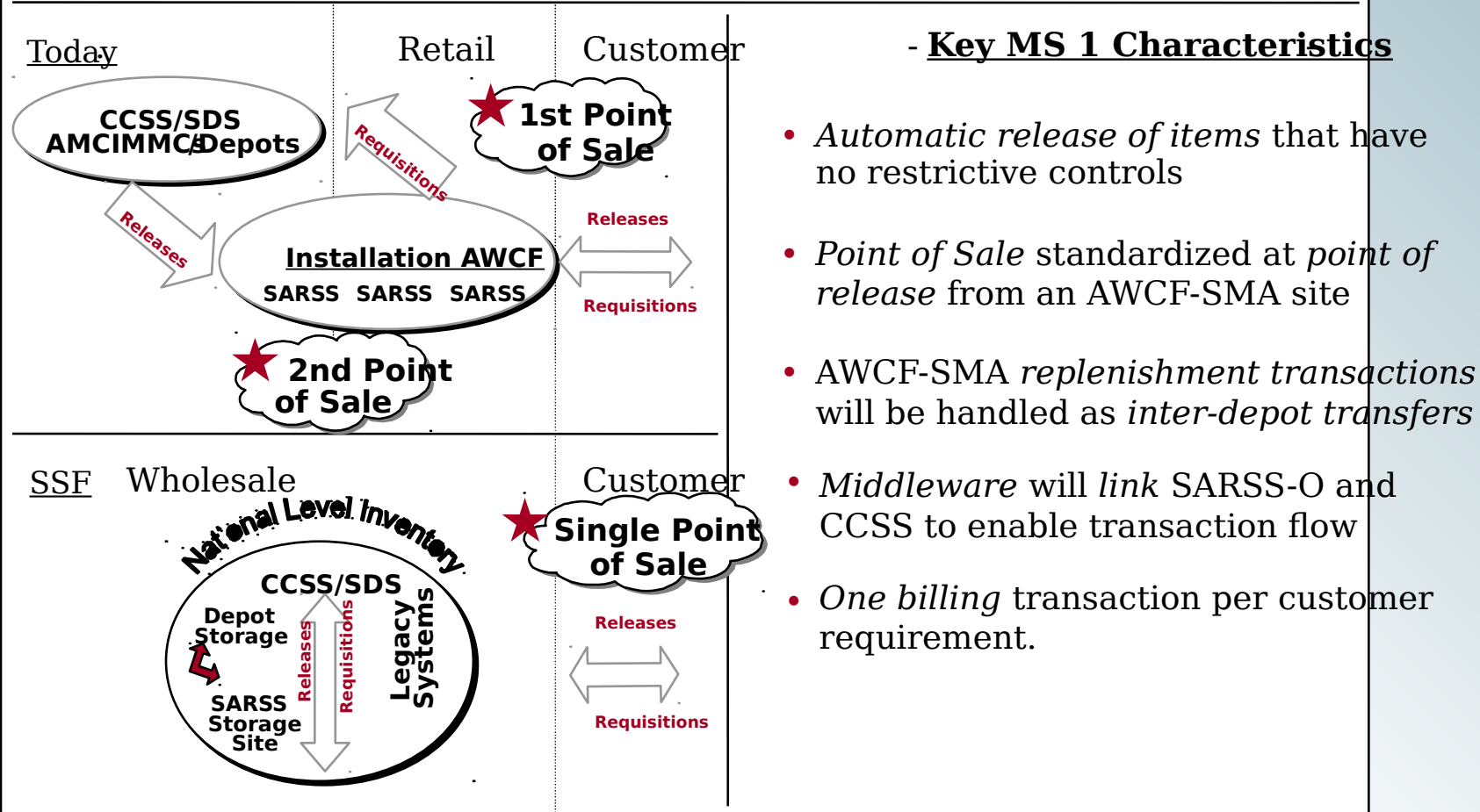
18 May 99



- Single Point of Sale -

Definition:

Occurs when a *consumer-funded requisition* is *satisfied* at point of release from managed *AWCF-SMA* account which *triggers* associated *billing*.





- *Single Point of Sale* -

- The current RSF to Wholesale Stock Fund (WSF) points of sale must be eliminated to create a single point of sale. This means that consumer-funded requisitions will be obligated upon submission to the Standard Army Retail Supply System (SARSS). Billing will occur when the AWCF-SMA account issues the item. This point of sale could be in one of two places in the AWCF-SMA. If the item is stocked locally, the supporting AWCF-SMA SARSS-1 account will issue it to the O&M customer. If the item is not stocked locally, then the source of supply will issue the item.
- The process for consolidation of requisitions at the supply support activity will stay in place for all O&M customers supported by O&M SARSS-1 accounts. Redistribution procedures between O&M SARSS accounts will be unaffected. Redistribution within AWCF on an installation will be automatic. RIC GEOs will be set for redistribution for those geographic areas which make sense for economic or readiness reasons.



Single Point of Sale (Cont'd) -

- IMMCs will process all replenishment actions between AWCF-SMA accounts on a non-reimbursable basis. AWCF-SMA SARSS-1 accounts will be authorized to stock both Army-managed and non-Army managed items. IMMCs will assume responsibility for projecting annual credit rates for Army managed items, as well as developing procedures to make redistribution decisions of assets in AWCF-SMA accounts in SARSS between installations.
- For consumer-funded organizations supported by an AWCF-SMA SARSS-1 account (such as Training and Doctrine Command units), the AWCF-SMA account would be required to place its own AWCF-SMA funding on the requisition, and pass to the Middleware which will the apply the appropriate fund. Under these procedures, O&M funded documents not filled by the AWCF-SMA SARSS-1 account would pass forward to Army Materiel Command Integrated Materiel Management Centers (IMMCs) for Army-managed items or to other sources of supply for non-Army managed items. Billing would occur directly between the source of supply and the O&M customer, through STARFIARS-MOD.



- *Single Point of Sale* -

SBR 1	Single point of sale will occur when a consumer-funded requisition is released from a nationally controlled AWCF-SMA account.	X	X
SBR 2	Referrals will be processed in UMMIPS time standards. Status to the requisitioner will be provided by the activity/system directing referral.	X	X
SBR 3	The policy for RO penetration will be in accordance with DOD lateral redistribution.	X	X
SBR 4	Only one sale transaction between the customer (O&M, RDTE, DM, etc.) and the AWCF-SMA.	X	X
SBR 5	Transactions between AWCF-SMA activities are non-reimbursable inventory transfers.	X	X
SBR 6	All local purchases (non-standard, non-stocked requisitions, IMPAC card purchases, and NSN requisitions rejected by the wholesale system) will by-pass AWCF-SMA, for both AMI and NAMI.	X	X
SBR 7	RON/DON will be used by all AWCF SARSS-1 and O&M SARSS-1.	X	X
SBR 8	Dedicated requisitions from off post customers submitted to the AWCF SARSS-1 will be processed using current procedures.	X	X
SBR 9	DZA s will be passed to CCSS for all AMI and NAMI inventory, to include FLRs.	X	X
SBR 10	All requisitions require a customer fund code.	X	X

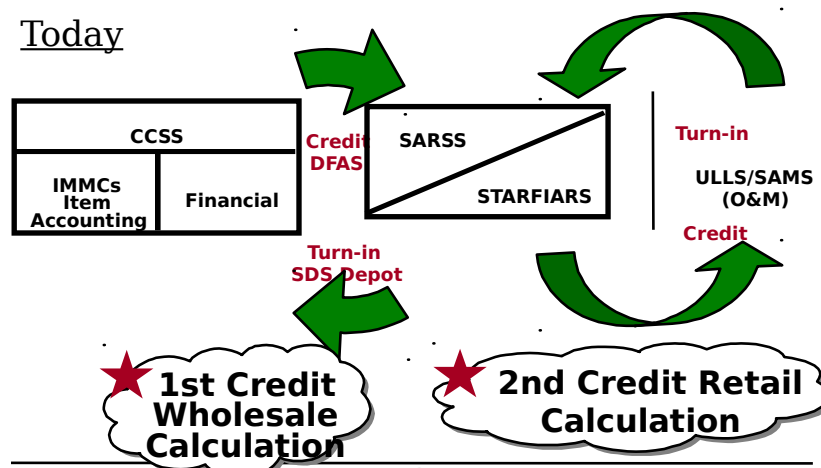


- Single Credit Process -

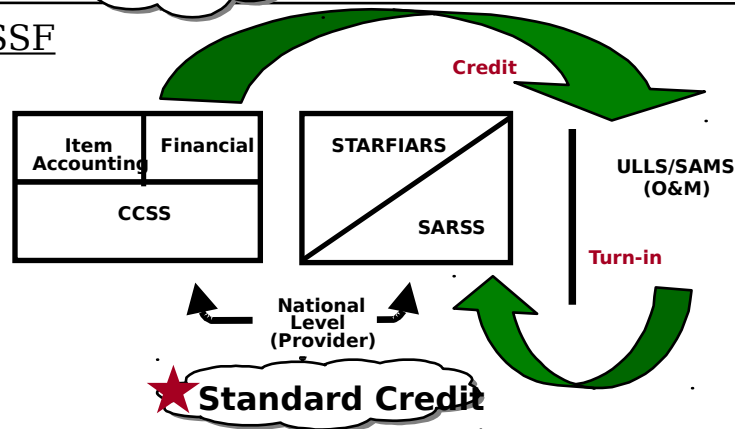
Definition:

Following materiel return, *credit* will be initiated from the AWCF-SMA directly to the funded activity via recording against the obligation authority.

Today



SSF



- Key MS 1 Characteristics

- Annualized, national, need-based credit
- Established by NSN and serviceability
- Issued by an AWCF-SMA at point of customer turn-in
- Stabilized Broadcast via the AMDF/FEDLOG
- Predictable & stable credit values
- One credit transaction per carcass turn-in



- *Single Credit Process* -

- The business rules establish the requirement to calculate a standard serviceable and unserviceable credit rate for Army-managed and non-Army managed items in order to achieve standard, predictable credit rates. The rates will be broadcast via FEDLOG/AMDF for use in all credit tables in both SARSS and AMC's Commodity Command Standard System (CCSS). The values will be annual, meaning that the credit will be stabilized for a year (unless circumstances warrant a special exception).
- The key to this process is to define "National Need" in terms of a projection of annual requirements. This projection will be the basis for AMC to determine the credit rates. In this process, credit will become predictable to the customer, and will not rely upon a comparison of each turn-in to the current National Stock position. This is a simplification that significantly reduces the automation changes required for implementation.



Single Credit Process (Cont'd) -

- Under this procedure, every turn-in of a given item will receive the same rate of credit at the first point where the O&M asset is turned-in to the AWCF-SMA (normally the DOL SARSS-1).
- The process for reporting and disposition of excess inventories will stay in place.



- *Single Credit Process* -

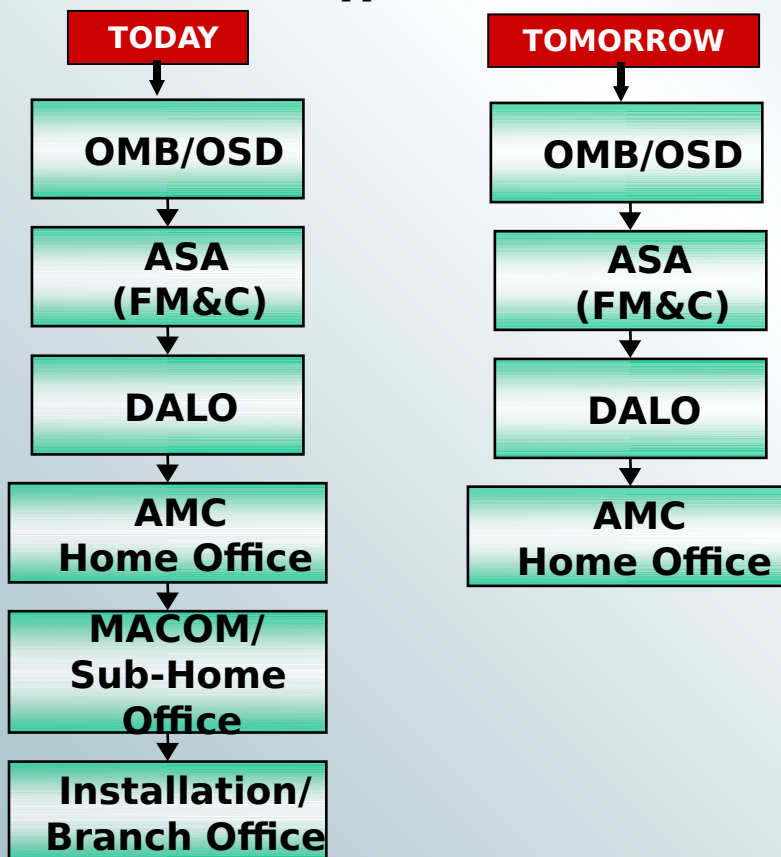
BR	IP	Revised MS 1 Business Rules	DEMO	MS 1
CBR 1		O&M excess will be turned in to an installation AWCF-SMA activity for national disposition, in accordance to RO/RL policy, except non-stock funded CL VII which will be reported from O&M directly to national manager.	X	X
CBR 2		SSF Credit Process will be an annualized, national need-based credit by NSN and serviceability, issued by AWCF-SMA for a customer turn-in.	X	X
CBR 3		Pricing and credit adjustments outside the normal cataloging corrections during the year of execution will be approved by DA.	X	X
CBR 4		DA will set the credit policy for NAMI, AMC will execute.	X	X
CBR 5		AMC will publish annual NSN by NSN standard price, serviceable credit values and unserviceable credit values and provide through DALO-RMI to CEAC (DAMO-TR) for input into TRM.	X	X
CBR 6		Credit to non-Army customers will be IAW DoD policy.	X	X
CBR 7		Credit and retention decisions in the year of execution are independent.	X	X
CBR 8		The approved interim credit policy (based on national need) will serve as the basis for MS1 unless the Credit Integrated Process Team (IPT) supersedes the policy.	X	X
CBR 9		Activities funded by other than OMA will submit requisitions and returns to the AWCF-SMA SARSS-1.		



- *Financial Management* -

Definition:

Addresses the overall rules related to financial management of the SSF, to include OA management, reporting requirements, budget preparation, UCG management, and redistribution cost application



Key MS 1 Characteristics

- *Centralized management of OA, Credit Cap and Cash*
- *National Manager overview of budget preparation and submission*
- *SMA financial reporting consolidated @ AMC*
- *UCG monitored @ ICP level*



- *Financial Management* -

- The business rules relate to the financial management of the SSF, where OA, credit cap, and cash management for AWCF-SMA will be managed by AMC. Reporting will be by AMC to HQ DA for all financial aspects of AWCF-SMA.
- CCSS financial will be the single general ledger for the SSF and will provide appropriate reports to IMMCs and HQ AMC for all operations.
- Budget submission and defense will be AMC responsibilities along with UCG management.



- *Financial Management* -

BR	IP	Revised MS 1 Business Rules	DEMO	MS 1
FBR 1		Use the TRM serviceable consumables credit initially (applied to NAMI only) and monitor for effectiveness. This would allow SMA to be adjusted as required. If not accurate the TRM NAMI credit prediction would be adjusted. NOTE: CONSUMABLES (MRC=Z)		
FBR 2		NAMI requisitions will require OA for direct customers of AWCF SARSS-1 sites and replenishment NAMI items on the AWCF SARSS-1	X	X
FBR 3		AMC will provide all data to HQDA for the Supply Management Army AWCF.	X	X
FBR 4		AWCF-SMA pays all costs associated with moving stock between AWCF-SMA accounts and from AWCF-SMA accounts to O&M accounts. O&M pays for all costs associated with moving stock between O&M accounts.	X	X
FBR 5		AMC will prepare, consolidate, and submit SSF MS1 budgets.	X	X
FBR 6		AMC is the primary manager of SMA OA, credit cap and outlays.		X
FBR 7		AMC will manage one SMA unit cost goal (UCG) for each sub-activity established within the National Business framework. At end state - one UCG for SMA. In the interim - establish sub-activity UCGs for supply, Medical, and Installation Support as required.		X



Back Up Slides



- *Exit Criteria, Single Credit Process* -

- **1st Criterion:** Middleware will preclude SSF AWCF-SMA SARSS-1 activities from furnishing data to STARFIARS-MOD to create FD2 DBRs.
 - ***Measurement:*** Review the middleware transaction log to determine if STARFIARS-MOD is receiving D6s from any SSF AWCF SMA-funded SARSS-1 activity. If STARFIARS-MOD is not receiving such data, retail-level credit transactions have been eliminated.
- **2nd Criterion:** STARFIARS-MOD will not pass SARSS-1 credit data to STANFINS.
 - ***Measurement:*** Review cyclical input from STARFIARS-MOD to STANFINS (R001 and F002) to insure that FD2 DBRs do not reflect a RIC of any SSF AWCF SMA-funded SARSS-1 sites.



- *Exit Criteria, Single Credit Process (Cont'd)* -

- **3rd Criterion:** CCSS will issue credit through STARFIARS-MOD to STANFINS for O&M activities.
 - ***Measurement:*** Review cyclical input from CCSS to STANFINS (R001 and F002) to insure that FD2 DBRs do reflect correct O&M activity RICs.



- *Single Credit Process* ***(Cont'd)* -**

- **Functional Description:**

- **During the cyclical or periodic billing cycles, the MILSBILLS Interfund Billing system creates a Summary Billing Record (SBR).**
- **The SBR is a DIC FS1, which summarizes the related Detailed Billing Records (DBRs).**
- **The DBRs include FD2s that return cash to an activity for the return of materiel.**
- **The Routing Identifier Code (RIC) in the DBR identifies the activity granting credit such as DLA, GSA, Other Services, AMC IMMCs, or retail AWCF-SMA activities.**



- Exit Criteria, Single Point of Sale -

- **1st Criterion:** Middleware will prevent SSF AWCF-SMA SARSS-1 activities from furnishing data to STARFIARS-MOD to create FA1 DBRs.
 - ***Measurement:*** Review the middleware transaction log to determine if STARFIARS-MOD is receiving A5s from any SSF AWCF SMA-funded SARSS-1 activity. If MOD is not receiving such data, the retail level point of sale has been eliminated.
- **2nd Criterion:** STARFIARS-MOD will not pass SSF AWCF SMA-funded SARSS-1 bills to STANFINS.
 - ***Measurement:*** Review cyclical input from STARFIARS-MOD to STANFINS (R001 and F002) to insure that FA1 DBRs do not reflect RICs of any SSF AWCF SMA-funded SARSS-1 sites.



- Single Point of Sale (Cont'd) -

- **Functional Description:**
 - **During cyclical or periodic billing cycles, the MILSBILLS Interfund Billing system creates a Summary Billing Record (SBR).**
 - **The SBR is a DIC FS1, which summarizes the related Detailed Billing Records (DBRs).**
 - **The DBRs include FA1s, that collect for the issue of materiel.**
 - **The Routing Identifier Code (RIC) in the DBR identifies the billing activity such as DLA, GSA, other Services, AMC IMMCs, or retail AWCF-SMA activities.**